

„Broadband in the 21<sup>st</sup> century“  
CEPS, Brussels,  
May 26th, 2009



# Broadband ahead!

Essential concepts for a broadband strategy

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a consulting partner for private companies and the public sector in Germany and Europe.

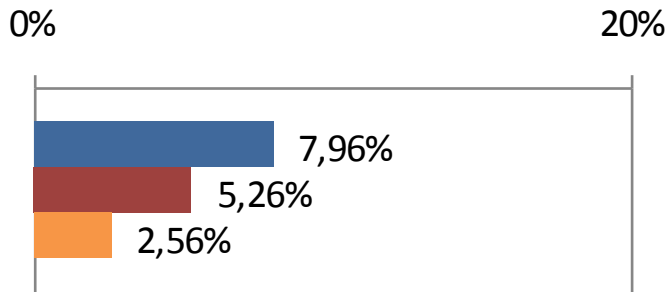
- Market research and strategy development for public services and private companies
- Information and communication technologies
- Modernization of the public administration

## **MICUS**STUDIE (examples)

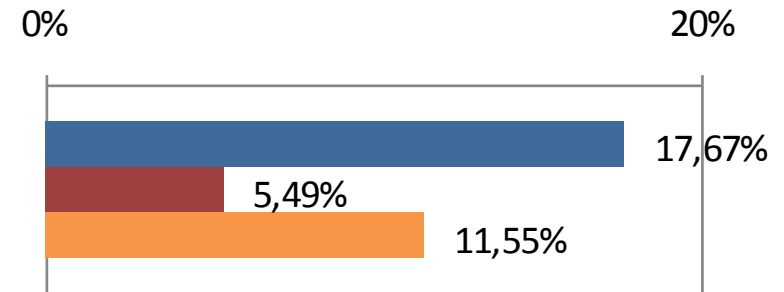
- The use of Galileo applications in public services  
*On behalf of the German Ministry of Circulation, Building and Urban Development, 2009*
- Assessment of the Re-use of Public Sector Information (PSI)  
*On behalf of the European Commission, 2008*
- Alternative communication channels for critical processes  
*On behalf of the German Federal Administration for IT security, 2007*

## Empirical evidence in the business services sector

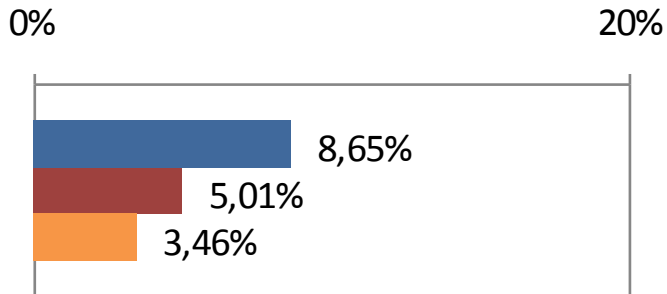
**Cornwall 1998-2001**



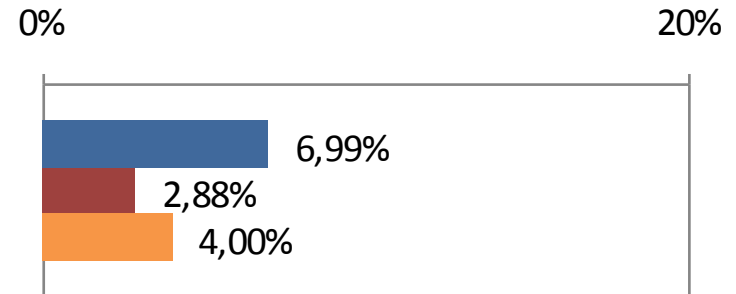
**Cornwall 2001-2005, with actnow**



**UK 1998-2001**



**UK 2001-2005**



■ GVA growth    ■ Employment growth    ■ Productivity growth

## Broadband workers and broadband companies: who are they?

**Broadband workers** have access to a large information base and a worldwide business network: **high productivity, high innovation potential**



**Broadband companies** specialize in information intensive activities:

- High productivity, increase productivity in other economic sectors
- Innovation intensive to stay ahead of worldwide competition

**Companies with broadband connection: 74.5% + 13.2%/year**

**„Broadband companies“: 23.1% + 3.0%/year**

(EU27, 2006, MICUS based on Eurostat statistics)

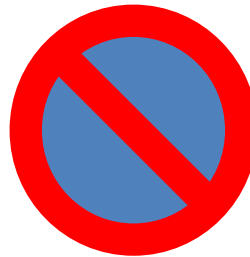
Knowledge-intensive jobs are essential to sustaining high employment levels in a global economy

European/ American workers are highly qualified, but with high salary levels.  
We are not competitive for routine jobs and „low intelligence“ occupations.

**A current situation  
under high pressure  
from the global economy**



Come back to a lower  
life standards level



-1,319,000 jobs/year  
+1,424,000 jobs/year  
+105,000 jobs/year  
(only broadband-related)



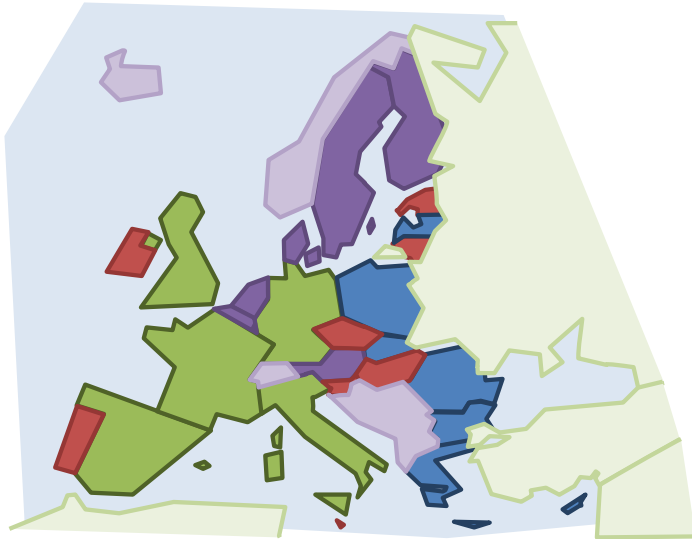
go further in developing  
comparative advantages in

- high competencies
- innovation capacity
- information intensive activities

+2,112,000 jobs until 2015  
(net jobs creation, best case, EU27)

**Broadband development belongs to a coherent strategy  
towards high competences and information intensive activities.**

**70%** of jobs creation related to broadband is directly due to innovation.  
Broadband development is strongly related to innovation policies.

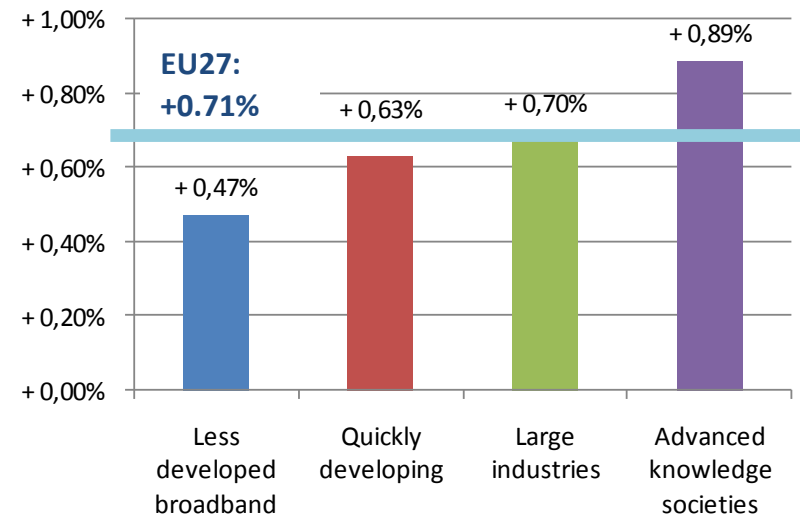


„In developed markets, innovation is a priority.“  
(CEO Briefing 2007, Economist Intelligence Unit)

Innovation is about “making the first move”.  
In an open, global economy, being among  
the group of pioneers is necessary to get  
the benefits of innovation.

The impact of broadband is stronger in the  
most advanced and innovative countries.

## Broadband impact, %GDP



Not all companies having a broadband connection do take advantage of broadband potentials. **Entering the „knowledge economy“ is not trivial.**

## Correlation between internet use, infrastructure and human factors at the national level (EU27)



**Infrastructure factors**

**66%**

**Internet use**

**Human factors**

**34%**

**Positive impact**



+13% connected companies  
but only +3% annual adoption  
of broadband applications in  
businesses

Only +0.29% annual  
productivity increase!

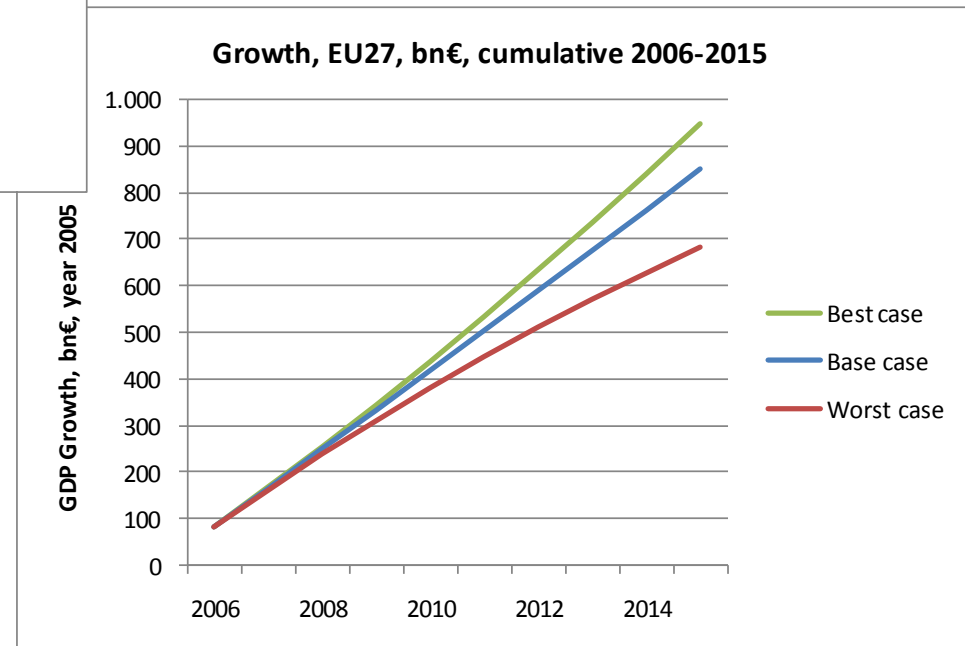
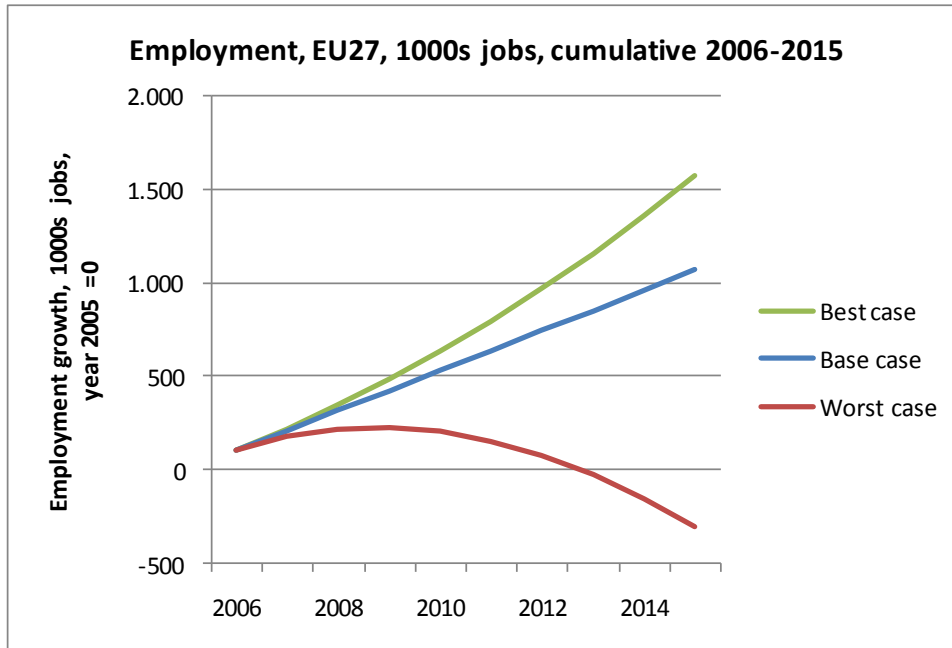


Even worse in SMBs and less developed countries:  
the digital divide is still growing.



# Scenarios: best case, base case and worst case

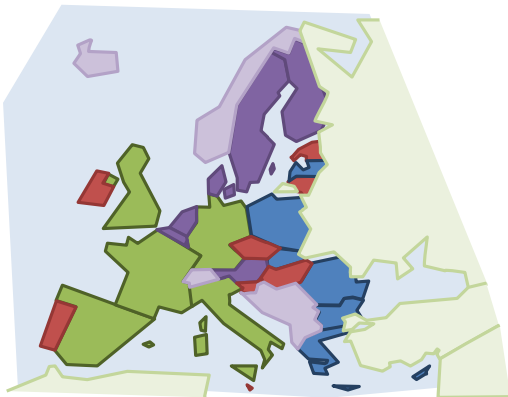
## More than 1.5 billion jobs can be created until 2015





Four main strategic lines apply in all cases:

1. **Develop the broadband infrastructure.**
2. **Rely strongly on education  
for a long-term development of the knowledge society.**
3. **Use adequate drivers to foster the use of online applications  
in companies and by individuals.**
4. **Promote innovation.**



**But: No “one suit fits all”.**  
Distinguish adequate strategies  
for each level of development.



Tank you for your attention

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